



Australian Bureau of Statistics

6530.0 - Household Expenditure Survey, Australia: Summary of Results, 2009-10

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Summary

Main Features

NOTES

ABOUT THIS PUBLICATION

This publication presents a summary of the results from the 2009-10 Household Expenditure Survey (HES), which was a subsample of the households comprising the 2009-10 Survey of Income and Housing (SIH). The HES collected information on the expenditure, income, net worth and other characteristics of households resident in private dwellings throughout Australia.

This publication includes a feature article on government pension and allowance recipients. The article highlights the benefits of the significantly increased sample size for this sub population in this survey.

CHANGES IN THIS ISSUE

Key changes to the 2009-10 HES include:

- an increase in the sample size from 6,957 households in 2003-04 to 9,774 households in 2009-10 due to the inclusion of an additional sample of metropolitan households whose main source of income was a government pension, benefit and/or allowance
- improvements, aligning with international statistical standards, to the collection of income statistics
- the incorporation of non-cash benefits used by employees to improve the coverage of consumption expenditure and to ensure consistency with the conceptual treatment of income
- a small number of changes to some Household Expenditure Classification (HEC) categories, particularly to address emerging technologies between the survey cycles
- disability questions for persons aged 15 years and over were asked in the 2009-10 HES (last collected in HES in 1998-99)
- the inclusion of tables in this publication showing income and expenditure patterns for beneficiaries of government pensions and allowances by their sources
- the inclusion of a table in this publication showing household expenditure at the broad level for the Classification of Individual Consumption by Purpose (COICOP)
- the inclusion of a table in this publication showing financial stress indicators by equivalised disposable household income quintiles
- an expanded range of detailed tables are included in an Excel datacube on the website, including detailed expenditure estimates on over 600 HEC categories for selected populations in this publication, plus additional populations available from the survey
- a comparison between the HES expenditure estimates and the Australian System of National Accounts is included in this publication.

EFFECTS OF ROUNDING

Where figures have been rounded, discrepancies may occur between sums of the component items and totals. Published percentages are calculated prior to rounding of the figures and therefore some discrepancy may exist between these percentages and those that could be calculated from the rounded figures.

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Living Conditions on Canberra (02) 6252 6174, email <living.conditions@abs.gov.au>.

Summary of findings

SUMMARY OF FINDINGS

HOUSEHOLD EXPENDITURE ON GOODS AND SERVICES - OVERVIEW

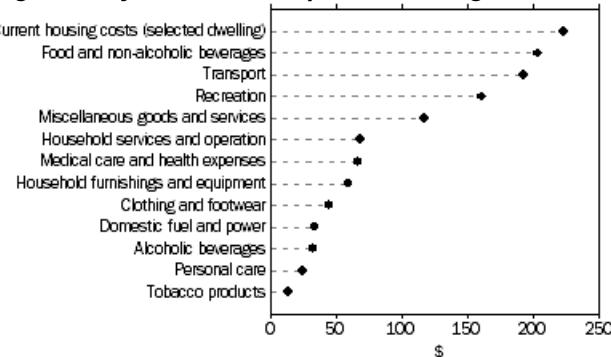
In the 12 months to June 2010, Australian households spent an average of \$1,236 each week on goods and services. This is an increase of 38% since the previous survey which was conducted in 2003-04. Part of this increase can be attributed to inflation - over the five years since the previous survey, the price of goods and services, as measured by the consumer price index (CPI), rose by 19%. Over the same period, the mean gross household income per week increased by 50% and the average household size increased from 2.53 to 2.57 people.

In 2009-10 the broad categories with the highest household expenditures were:

- current housing costs, with average household expenditure of \$223 per week, representing 18% of total household expenditure on goods and services
- food and non-alcoholic beverages, \$204 per week, 17% of the total
- transport, \$193 per week, 16% of the total.

As in 2003-04, these categories together accounted for half of household expenditure on goods and services. The next highest category was recreation, with average weekly household expenditure of \$161 per week, representing 13% of the total.

S1. Average weekly household expenditure on goods and services



DIFFERENCES BETWEEN HOUSEHOLDS

The level and pattern of expenditure differs between households, reflecting characteristics such as income, wealth, household composition, household size and location.

Household Income

Gross household Income

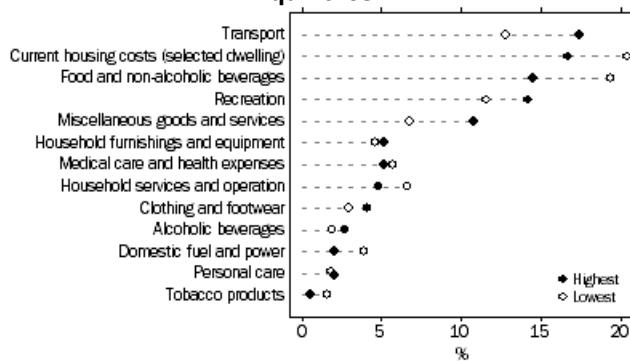
In 2009-10, households in the lowest gross income quintile (the lowest 20% of households when ranked according to gross income) spent on average \$559 (15% of their gross household income) on goods and services per week, compared to \$2,160 (55% of their gross household income) spent by households in the highest gross income quintile. This difference in expenditure is partly a consequence of household size: households in the lowest quintile contain on average 1.5 persons, compared to 3.4 persons in households in the highest quintile. Lone person households make up 63% of households in the lowest quintile.

Equivalised disposable household income

Equivalised disposable household income provides an indicator of the income estimates with respect to household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings. The composition of household expenditure differs between equivalised disposable household income quintile groups. For example, food and non-alcoholic beverages accounted for 19% of the expenditure on goods and services of households in the lowest quintile, compared to 15% for households in the highest quintile. In general, the proportion

spent on domestic fuel and power, tobacco and household services and operation also declined as equivalised disposable household income rose, while the proportion spent on recreation, alcohol, transport and miscellaneous goods and services increased.

S2. Goods and services expenditure by the lowest and highest equivalised disposable household income quintiles



Household net worth

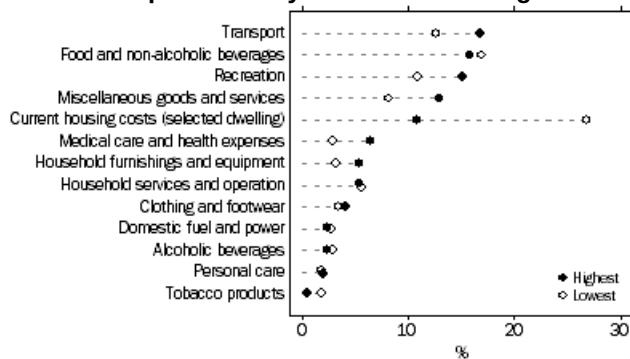
Current housing costs is the broad expenditure group most related to levels of household net worth. Current housing costs comprised 27% of total expenditure on goods and services for households in the lowest net worth quintile but only 11% for households in the highest quintile.

For many households, the dwelling in which they live is the main asset. Households with low net worth are likely to have a high mortgage offsetting the value of the dwelling, or are likely to be renting. They therefore tend to have high housing costs, either in the form of interest payments on their mortgage or in the form of rent. Households with high net worth are more likely to own their own home with only a small or no mortgage outstanding, and therefore only have low housing costs. Only 4% of households in the lowest net worth quintile own their own home, compared to 96% in the highest quintile.

Expenditure on medical care and health expenses tends to be substantially higher for households with higher net worth, accounting for 3% of expenditure for households in the lowest quintile and 6% for households in the highest quintile. In part this may reflect the older ages of persons in the higher quintiles. The average age of the reference person in the lowest net worth quintile is 41 years compared to 56 years for the highest quintile. The lowest quintile has on average more persons under the age of 18 compared to households in the highest quintile (0.7 and 0.5 persons respectively) and the average number of persons 65 years and over is lower in the lowest net worth quintile compared to the highest quintile (0.2 and 0.4 respectively).

In general, the proportion spent on recreation, household furnishings and equipment, and transport rose as net worth rose, while the proportion spent on tobacco dropped substantially.

S3. Goods and services expenditure by the lowest and highest net worth quintiles



Social and demographic characteristics

The level and composition of household income and expenditure is highly related to the social and demographic characteristics of household members. For example, households in the lowest equivalised disposable income quintile were more likely to be lone person households and to receive government pensions and allowances as their main source of income. Households in the highest quintile were more likely to be couple, one family households and to have wages and salaries as their main source of income.

Households in which the levels of weekly expenditure on goods and services was significantly below the average of \$1,236 for all households included:

- households which rented their dwelling from a state or territory housing authority, with average weekly expenditure of \$564
- households which relied on government pensions and allowances as their main source of household income, with average weekly expenditure of \$613
- lone person households had an average weekly expenditure of \$646 and lone persons aged 65 and over had an average weekly expenditure of \$446
- households in which the reference person was 65 years and over, with average weekly expenditure of \$726.

In contrast, households in which the level of expenditure on goods and services was significantly above the average included:

- couple, one family households with children; for example households consisting of a couple with their dependent and non-dependent children only, had an average weekly expenditure of \$2,046
- multiple family households, with average weekly expenditure of \$1,621
- households purchasing their home (with a mortgage), with average weekly expenditure of \$1,594
- group households, with average weekly expenditure of \$1,531
- households in which the reference person was aged 45 to 54 years, with average weekly expenditure of \$1,502
- households with main source of income of wages and salaries, with average weekly expenditure of \$1,476.

Household characteristics can also help to explain the variation in the composition of expenditure. For example, housing costs accounted for only 8% of total expenditure on goods and services of those households who owned their home outright while households renting from private landlords spent 26% of their total expenditure on housing.

Location

The level of expenditure varied across states and territories. The highest average weekly household expenditures were recorded in the Australian Capital Territory (\$1,536) and the not very remote parts of the Northern Territory (\$1,500). The lowest expenditures were in South Australia and Tasmania at \$1,044 and \$1,064 per week respectively.

Expenditure also varied between capital cities and elsewhere. The average weekly expenditure of households located in capital cities was \$1,310, compared with \$1,107 in areas other than capital cities. Canberra (\$1,536) had significantly higher weekly expenditure than the average for all capital cities.

Households in financial stress

A key element of people's living standards is the amount of discretion they have in their spending on goods and services to meet their needs. While ABS measures of income and wealth provide information on the main economic resources available to households to support their material command over goods and services expenditure and statistics can describe people's associated consumption patterns, these measures do not necessarily tell the full story of how households are coping financially. For example, households may go without key goods and services, or seek financial assistance from others, to meet financial commitments or to maintain other expenditure. The extent to which this occurs can provide an indication of the overall financial stress experienced by households.

The reporting of financial stress does not necessarily imply that a household has low income. Nevertheless, financial stress indicators decrease as equivalised disposable household income increases. For example, 64% of the lowest equivalised disposable income quintile have at least one indicator of financial stress while only 20% of households in the highest quintile reported an indication of financial stress. The ability to afford a holiday for at least one week per year and the ability to afford a night out once a fortnight are the most commonly reported indicators of financial stress at 25% and 19% respectively.

CHANGES SINCE 2003-04

In the 2003-04 HES, income from non-cash benefits was collected, but not included in total income or expenditure estimates. However in SIH 2007-08, non-cash benefits were included as part of standard income measures to align with international standards. The values for non-cash benefits have been included in the expenditure measures for the first time in 2009-10. There have also been improvements made to the collection of salary sacrifice data and its incorporation in expenditure aggregates. As a result of these changes, total goods and services expenditure using the new basis is \$1,236, compared with \$1,198 using the previous basis. The most significant difference is for

estimates of expenditure on transport where the estimate using the new basis is \$193, compared with \$163 using the previous basis. Transport, current housing costs, household service and operation, recreation, miscellaneous goods and services and superannuation and life insurance are the categories which are impacted by the new inclusions for expenditure. See paragraphs 10 to 13 of the explanatory notes for further information.

The overall increase in average weekly household expenditure on goods and services between 2003-04 and 2009-10 was \$343 (38%). Over the same period the price of goods and services, as measured by the CPI, rose by 19%.

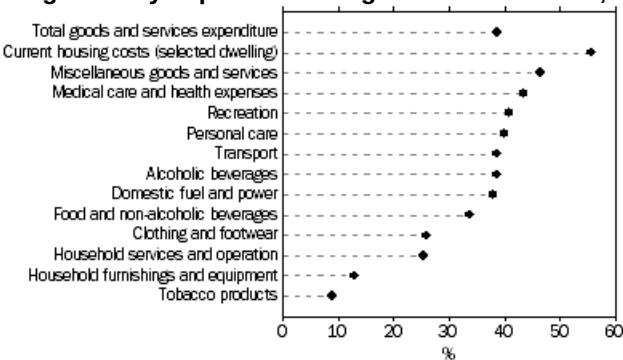
The broad expenditure categories recording the largest increases in dollar terms in average weekly expenditure were:

- current housing costs (selected dwelling), up \$80 (55%), due in part to increased mortgage interest payments, up \$35 (75%) and increased rent payments, up \$32 (68%)
- food and non-alcoholic beverages, up \$51 (34%)
- recreation, up \$47 (41%)
- miscellaneous goods and services, up \$37 (46%), partly due to increased spending on education fees for primary and secondary schools, up \$10 (107%)

A large part of the \$54 (39%) increase in transport expenditure is due to the inclusion of non-cash benefits and salary sacrifice expenditure. Excluding these aspects transport has increased by \$23 (up 17%).

At the more detailed expenditure items level, some of the most significant spending increases over the 6 year period were on internet charges (paid as account) (up 152%), pay TV fees (up 95%), interest payments on mortgages (up 75%), meals in restaurants, hotels, clubs and related (up 68%), child care (up 84%), rent payments (up 68%), meals out and fast foods (up 50%) and recreational and educational services (excluding holiday expenses) (up 50%). See detailed tables included as Excel datacubes on website for more details.

S4. Increase in average weekly expenditure on goods and services, 2003-04 to 2009-10



About this Release

Contains summary information on expenditure, income, net worth and other characteristics of households. Emphasis is given to highlighting the different weekly expenditure patterns of households with various characteristics (e.g. income levels and sources, geographic location and family composition of the household). Detailed Expenditure Items are also included as a datacube.

Explanatory Notes

Explanatory Notes

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents a summary of the findings from the 2009-10 Household Expenditure Survey (HES). The

survey collected detailed information about the expenditure, income, assets, liabilities and household characteristics of households resident in private dwellings throughout Australia. Appendix 1 outlines the full 2009-10 HES data release program and expected release dates.

2 The statistics in this publication present a broad overview of data items collected during the 2009-10 HES. Emphasis has been given to highlighting the differing household expenditure patterns and levels revealed when average weekly household expenditure is cross-classified by various household characteristics (e.g. income levels and sources, geographic location and family composition of the household) and reference person characteristics.

3 The **Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia, 2009-10** (cat. no. 6503.0), expected to be released in September 2011, will assist users in evaluating and interpreting results from this survey.

4 Previous Household Expenditure Surveys were conducted by the Australian Bureau of Statistics (ABS) in 1974-75, 1975-76, 1984, 1988-89, 1993-94, 1998-99 and 2003-04. The 2009-10 HES collected information from a sample of 9,774 households over the period July 2009 to June 2010. The HES is currently conducted every six years.

5 The 2009-10 HES was integrated and included as a subsample of the Survey of Income and Housing (SIH), as it was in 2003-04.

Changes in this issue

6 Key changes to the 2009-10 HES include:

- an increase in sample size from 6,957 households in 2003-04 to 9,774 households in 2009-10 due to the inclusion of an additional sample of metropolitan households whose main source of income was a government pension, benefit and/or allowance
- improvements, aligning with international statistical standards, to the collection of income statistics
- the incorporation of non-cash benefits used by employees to improve the coverage of consumption expenditure and to ensure consistency with the conceptual treatment of income
- a small number of changes to some Household Expenditure Classification (HEC) categories, particularly to address emerging technologies between the survey cycles
- disability questions for persons aged 15 years and over were asked in the 2009-10 HES (last collected in HES in 1998-99)
- the inclusion of tables in this publication showing income and expenditure patterns for beneficiaries of government pensions and allowances by their sources
- the inclusion of a table in this publication showing household expenditure at the broad level for the Classification of Individual Consumption by Purpose (COICOP)
- the inclusion of a table in this publication showing financial stress indicators by equivalised disposable household income quintiles
- an expanded range of detailed tables are included in an Excel datacube on the website, including detailed expenditure estimates on over 600 HEC categories for selected populations in this publication, plus additional populations available from the survey
- a comparison between the HES expenditure estimates and the Australian System of National Accounts is included in Appendix 3 of this publication.

Changes to the survey sample

7 For the 2009-10 HES there was an additional sample of metropolitan households whose main source of income was a government pension, benefit and/or allowance. These pensioner households were enumerated using a separate sample design, but the fully responding in-scope households from this sample were included in the final SIH and HES samples. The main purpose of the inclusion of this additional sample was for the development of a Pensioner and Beneficiary Living Cost Index (PBLCI), which is part of the revised process for indexing age and other pensions. The pensioner sample supports improved commodity weighting for the PBLCI to better reflect the different expenditure patterns of pensioner households compared with the general population.

Income measures

8 The ABS revised its standards for household income statistics following the adoption of new international standards in 2004 and review of aspects of the collection and dissemination of income data. The changes that have been made since 2003-04 include:

- employment income now includes all payments received by individuals as a result of their current or former involvement in paid employment. In addition to the regular and recurring cash receipts previously included, the

- new income measures also include non-cash benefits, bonuses, termination payments and payments for irregular overtime
- interest paid on money borrowed to purchase shares or units in trusts is now netted off income earned from these sources when deriving income estimates
 - income earned as a silent partner in a partnership and some private trust income are now classified to investment income rather than unincorporated business income. The questions developed to effect this change also improved the reporting of income from these sources
 - lump sum workers' compensation receipts are now included
 - a wider range of data on financial support received from family members resident outside the household is now included. In addition to regular payments previously collected, financial support has been extended to include other forms of financial support, including goods and services received which were purchased by others e.g. rent, education, food, clothing, car registration and utilities. Capital transfers, such as the purchase of property or cars, were excluded.

9 For more detail on the nature and impact of the changes on the income data see Appendix 4 of **Household Income and Distribution, Australia, 2007-08** (cat. no. 6523.0)

Expenditure measures

10 To ensure consistency with the conceptual treatment of income introduced by the revision of household income standards, the 2009-10 HES includes some improvements to the treatment of non-cash benefits and salary sacrifice in household expenditure estimates. Non-cash benefits used by employees are incorporated to improve the coverage of consumption expenditure, and improvements to the inclusion of expenditures via salary sacrifice for vehicles have been implemented.

11 Most employee remuneration is in a monetary form. However a substantial number of employees receive other benefits in the form of goods and services i.e. non-cash benefits. Examples include the use of motor vehicles, provision of a computer, subsidised child care, housing rent free or at less than normal market rent, car parking, superannuation (employer contributions above the minimum compulsory contributions) and low interest loans. Information on non-cash benefits provided by employers has been collected from wage and salary earners and owners of incorporated businesses, commencing in 2003-04, and were included for the first time in the estimates of income in 2007-08. Items provided free or at a reduced cost by employers to employees for their own private use are regarded as expenditure in-kind. These estimates of expenditure in-kind have been included in the expenditure estimates for the first time in 2009-10.

12 More detailed information was collected for salary sacrifice on motor vehicles in the 2009-10 HES to improve the expenditure estimates for this type of expenditure. The additional information captured within the questionnaire was used to model the value of expenditure on motor vehicles and associated running costs such as fuel, insurance, registration, servicing and tyres.

13 The following table shows the estimated impact of these changes on the HES 2009-10 expenditure estimates.

AVERAGE WEEKLY EXPENDITURE, NEW AND FORMER BASIS

	New basis \$	Former basis \$	Difference \$	%
Broad expenditure group				
Goods and services				
Current housing costs (selected dwelling)	223	221	2	1.0
Domestic fuel and power	33	33	-	-
Food and non-alcoholic beverages	204	204	-	-
Alcoholic beverages	32	32	-	-
Tobacco products	13	13	-	-
Clothing and footwear	44	44	-	-
Household furnishings and equipment	59	59	-	-
Household services and operation	68	66	2	2.8
Medical care and health expenses	66	66	-	-
Transport	193	163	30	18.6
Recreation	161	160	2	1.1
Personal care	24	24	-	-
Miscellaneous goods and services	117	114	2	2.2
Total goods and services expenditure	1 236	1 198	38	3.2
Selected other payments				
Income tax	260	260	-	-
Mortgage repayments - principal (selected dwelling)	49	49	-	-
Superannuation and life insurance	74	68	6	8.6
Total	1 620	1 575	44	2.8

- nil or rounded to zero (including null cells)

14 The commodity codes for the Household Expenditure Classification (HEC) are largely the same as in 2003-04 with a small number of changes, particularly to address emerging technologies between the survey cycles. The list of commodity codes for 2009-10 HES will be released in **Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia, 2009-10** (cat. no. 6503.0) which is expected to be released in September 2011. The expenditure estimates have also been derived for the Classification of Individual Consumption by Purpose (COICOP) for the first time in 2009-10. The total expenditure estimates differ between the two classifications due to scope differences, in particular the COICOP includes estimates of imputed rent which are out of scope for the HEC.

CONCEPTS AND DEFINITIONS

15 The concepts and definitions relating to income, expenditure, net worth and households are described in the following section. Other definitions are included in the glossary.

Household data

16 The household is the basic unit of analysis in the HES. It is defined as a group of related or unrelated people who usually live in the same dwelling and make common provision for food and other essentials of living; or a lone person who makes provision for his or her own food and other essentials of living without combining with any other person.

17 Households therefore have the following characteristics:

- they may consist of one or more person(s) or groups of persons such as families
- they must live wholly within one physical dwelling. A group of people who make common provision for living essentials but are living in two separate dwellings are considered to be two separate households.

18 The household is adopted as the basic unit of analysis because it is assumed that sharing of the use of goods and services occurs at this level. If smaller units, say persons, are adopted, then it is difficult to know how to attribute to individual household members the use of shared items such as food, accommodation and household goods.

Expenditure

19 The HES aggregate estimates of expenditure on goods and services refer to:

- the cost of acquiring goods and services - the cost of those goods and services acquired during the reference period regardless of whether the household paid for or consumed them during the period
- the cost of goods and services used for private purposes - costs associated with investments and business were excluded from estimates of expenditure
- net or out-of-pocket expenditure - refunds and reimbursements (such as Medicare refunds, factory rebates, trade-ins and reimbursements from employers) were deducted from expenditure
- expenditure during and prior to the 2009-10 financial year - most types of expenditure relate to purchases recorded in a fortnightly diary at some point within the 2009-10 financial year but less frequent and often large expenditures were collected on a 'recall' basis: for those items, households were asked to recall expenditures over a period which may have extended back before 2009-10, ranging from the last payment made (e.g. for utilities bills) to any purchase made in the last three years (e.g. for house purchases)
- some expenditure in-kind - items provided free or at a reduced cost by employers to employees for their own private use or withdrawn from own business for household consumption are regarded as expenditure in-kind.

20 Estimates of selected other payments (income tax, mortgage repayments (selected dwelling) and superannuation and life insurance) are also provided.

21 Estimates of average weekly expenditure do not refer to a given week. Average weekly expenditure was calculated by dividing expenditure by the number of weeks in the recall period or reporting period over which it was collected.

Income

22 Household expenditure is compared to household income to help explain variations in expenditure levels and patterns and to identify groups of special interest (e.g. households with low incomes).

23 Household income consists of all current receipts, whether monetary or in kind, that are received by the household or by individual members of the household, and which are available for, or intended to support, current consumption.

24 Income includes receipts from:

- wages and salaries and other receipts from employment (whether from an employer or own incorporated enterprise), including income provided as part of salary sacrifice and/or salary package arrangements
- profit/loss from own unincorporated business (including partnerships)
- net investment income (interest, rent, dividends, royalties)
- government pensions and allowances
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

25 Income is collected using a number of different reporting periods, such as the whole financial year for own unincorporated business and investment income, and the usual payment for a period close to the time of interview for wages and salaries, other sources of private income and government pensions and allowances. The income reported is divided by the number of weeks in the reporting period. Estimates of weekly income in this publication therefore do not refer to a given week within the reference period of the survey.

Equivalised disposable income

26 In most tables in this publication, gross household income is presented along with expenditure estimates. However, when using income as an approximate means of ranking households according to the relative standards of living, it is more appropriate to use equivalised disposable household income.

27 Income tax payments were estimated for all households using taxation criteria for 2009-10 and the income and other characteristics of household members reported in the survey.

28 Disposable income is derived by deducting estimates of personal income tax and the Medicare levy from gross income. Disposable income better represents the economic resources available to meet the needs of households. Disposable income is then adjusted by the application of an equivalence scale to facilitate comparison of income levels between households of differing size and composition, reflecting the requirement of a larger household to have a higher level of income to achieve the same standard of living as a smaller household. Where disposable income is negative, it is set to zero equivalised disposable income. For more information on equivalised income see Appendix 3 of **Household Income and Income Distribution, Australia, 2009-10** (cat. no. 6523.0).

Lowest income decile

29 While equivalised income generally provides a useful indicator of economic wellbeing, there are some circumstances which present particular difficulties. Some households report extremely low and even negative income in the survey, which places them well below the safety net of income support provided by government pensions and allowances. Households may under report their incomes in the survey at all income levels, including low income households. However, households can correctly report low levels of income if they incur losses in their unincorporated business or have negative returns from their other investments.

30 Studies of income and expenditure reported in HES surveys have shown that such households in the bottom income decile and with negative gross incomes tend to have expenditure levels that are comparable to those of households with higher income levels (and slightly above the average expenditures recorded for the fifth income decile). This suggests that these households have access to economic resources such as wealth, or that the instance of low or negative income is temporary, perhaps reflecting business or investment start up. Other households in the lowest income decile in past surveys had average incomes at about the level of the single pension rate, were predominantly single person households, and their main source of income was largely government pensions and allowances. However, on average, these households also had expenditures above the average of the households in the second income decile, which is not inconsistent with the use of assets to maintain a higher standard of living than implied by their incomes alone.

31 It can therefore be reasonably concluded that many of the households included in the lowest income decile are unlikely to be suffering extremely low levels of economic wellbeing. Income distribution analysis may lead to inappropriate conclusions if such households are used as the basis for assessing low levels of economic wellbeing. For this reason, tables showing statistics classified by income quintiles include a supplementary category comprising the second and third income deciles, which can be used as an alternative to the lowest income quintile. For an explanation of quintiles and deciles, see Appendix 1, **Household Income and Income Distribution, Australia, 2009-10** (cat. no. 6523.0).

32 Whenever a HES is conducted, analysis of households in the lowest income decile can be improved through

direct observation of the expenditure and net worth of these households. An examination of households with low economic resources (income and wealth) is expected to be included as a feature article in **Household Wealth and Wealth Distribution, Australia, 2009-10** (cat. no. 6554.0) to be released in October 2011.

Net worth

33 Net worth, often referred to as wealth, is the value of a household's assets less the value of its liabilities. Assets can take many forms including:

- produced tangible fixed assets that are used repeatedly and for more than one year, such as dwellings and their contents, vehicles, and machinery and equipment used in businesses owned by households
- intangible fixed assets such as computer software and artistic originals
- business inventories of goods
- non-produced assets such as land
- financial assets such as bank deposits, shares, superannuation account balances, and the outstanding value of loans made to other households or businesses.

34 Liabilities are primarily the value of loans outstanding including:

- credit card debt
- mortgages
- investment loans
- borrowings from other households
- debt on other loans such as personal loans to purchase vehicles, and study loans.

35 In the 2009-10 HES, some asset and liability data were collected on a net basis rather than collecting for each component listed above. In particular, if a survey respondent owned or part owned a business, they were asked how much they would receive if they sold their share of the business and paid off any outstanding debts.

36 While this publication provides some household net worth statistics, principally to aid expenditure analysis, a more comprehensive range of household asset and liability information will be released in October 2011 in **Household Wealth and Wealth Distribution, 2009-10** (cat. no. 6554.0).

Difference between income and expenditure

37 The HES provides information about both the income and the expenditure of households, but it would be misleading to regard the difference between average weekly income and the sum of the items of average weekly expenditure as shown in the tables in this publication as a measure of savings.

38 First, to be properly understood, the concept of household saving needs to be articulated along with the concept of household wealth (assets and liabilities), and all forms of income and expenditure need to be measured and classified consistently with these concepts. The HES does not attempt to do this. It focuses on usual income being received at the time the data was collected; estimates of personal income tax; expenditure on current consumption of goods and services; and two major items of expenditure which can be regarded as investment ('mortgage repayments - principal (selected dwelling)' and 'superannuation and life insurance'). The two items of investment expenditure are included in the HES because they are a significant regular commitment of many households which have to be financed from income.

39 Second, there are significant timing differences between the different components of income and expenditure collected:

- expenditure does not cover all current payments because expenditure was collected on an acquisitions basis
- expenditure does not cover a common reference period since expenditure estimates for different items refer to different periods
- income does not cover a common reference period since income estimates for different sources of income refer to different periods; for example, income from wages and salaries relates to usual pay in a pay period, while income from investment and own unincorporated business relates to income in a whole financial year.

40 HES income and expenditure estimates therefore do not balance for individual households or groups of households and the difference between income and expenditure cannot be considered to be a measure of saving.

SURVEY METHODOLOGY

Scope and coverage

41 The survey collects information by personal interview from usual residents of private dwellings in urban and rural areas of Australia (excluding very remote areas), covering about 97% of the people living in Australia. Private dwellings are houses, flats, home units, caravans, garages, tents and other structures that were used as places of residence at the time of interview. Long-stay caravan parks are also included. These are distinct from non-private dwellings which include hotels, boarding schools, boarding houses and institutions. Residents of non-private dwellings are excluded.

42 Usual residents excludes:

- households which contain members of non-Australian defence forces stationed in Australia
- households which contain diplomatic personnel of overseas governments
- households in collection districts defined as very remote or Indigenous Communities - this has only a minor impact on aggregate estimates except in the Northern Territory where such households account for about 23% of the population.

Data collection

43 Information for each household was collected using:

- a household level computer assisted interview questionnaire which collected information on household characteristics, expenditure common to all household members (e.g. utility bills), and irregular or infrequent expenditure (e.g. household appliances and holidays overseas)
- an individual level computer assisted interview questionnaire which collected information on income, non-cash benefits, salary sacrifice expenditure and other personal characteristics from each usual resident aged 15 years and over
- a personal diary in which usual residents aged 15 years and over recorded their expenditure over two weeks.

44 Sample copies of the above documents are included in the **Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia, 2009-10** (cat. no. 6503.0) to be released in September 2011.

Sample design

45 The sample was designed to produce reliable estimates for broad aggregates for households resident in private dwellings aggregated for Australia, for each state and for the capital cities in each state and territory. More detailed estimates should be used with caution, especially for Tasmania, the Northern Territory and the Australian Capital Territory (see Appendix 2).

46 The HES sample was designed in conjunction with the SIH. In the combined sample, some dwellings were selected to complete both the SIH questionnaire and the HES questionnaire, while other dwellings were selected to complete the SIH questionnaire only. Dwellings were selected through a stratified, multistage cluster design from the private dwelling framework of the ABS Population Survey Master Sample. Selections were distributed across a twelve month enumeration period so that the survey results are representative of income and expenditure patterns across the year.

47 For the 2009-10 HES there was an additional sample of metropolitan households whose main source of income was government pensions, benefits and/or allowances. These households were enumerated using a separate sample design.

48 In the pensioner sample, dwellings were selected via two phase sampling to complete the HES questionnaire. To target the pensioner households the 2006 Census information was used to identify the areas where the number of households that were more likely to belong to the target population were higher. This frame prediction was then updated for known deficiencies and changes to the Australian population since 2006. Selections of small geographic (meshblock) first stage units were made to avoid overlap with the population master sample and distributed across a ten month enumeration period from September 2009 to July 2010.

Non-responding households

49 Of the 8,786 households selected in the main HES sample, 2,219 did not respond at all to the questionnaire, or did not respond adequately. Such households included:

- households affected by death or illness of a household member

- households in which the significant person(s) in the household did not respond because they could not be contacted, had language problems or refused to participate
- households in which the significant person(s) did not respond to key questions or did not adequately complete an expenditure diary

50 For the additional pensioner sample, 42,913 dwellings were approached to screen for inclusion in the sample.

- Of these 42,913 dwellings, 5,522 dwellings (13%) were non-contacts and 918 (2%) refused to answer the screening questions. This resulted in 36,473 dwellings screened for potential interview
- Of these 36,473 dwellings, 31,439 were screened as out of scope for pensioner sample (i.e. the respondent identified the household's main source of income as a source other than government pensions or benefits). This resulted in 5,034 dwellings identified for interview
- Of these 5,034 dwellings, 230 (5%) were identified as sample loss at the point of interview (e.g. all usual residents out of scope), leaving 4,804 dwellings identified as being in scope and selected for interview. Of these, 3,434 dwellings (71%) were fully responding. Taking into account the two phase sample design, the overall coverage rate was about 47% of expected pensioner households with respect to the design frame.

Partial response and Imputation

51 Some households did not supply all the required information but supplied sufficient information to be retained in the sample. Such partial response occurs when:

- income or other data in a questionnaire are missing from one or more non-significant person's records because they are unable or unwilling to provide the data
- all key questions are answered by the significant person(s) but other data are missing
- not every person aged 15 or over residing in the household responds but the significant person(s) provide answers to all key questions
- personal expenditure diaries are not all fully completed, but sufficient information is provided.

52 In the first two cases, the data provided are retained and the missing data are imputed by replacing each missing value with a value reported by another person (referred to as the donor).

53 For the third type of partial response, the data for the persons who did respond are retained, and data for each missing person are provided by imputing data values equivalent to those of a fully responding person (the donor). Non-significant respondents who did not sufficiently complete either week one or two diaries, had their diary data imputed from a fully responding donor. If all significant persons within the households failed to supply either diaries, then the household was converted to a SIH household for sample retention.

54 For the fourth type of partial response, the diary information provided is used to represent the missing information. For example, if the first week of diary entries is provided but not the second week then the first week of expenditure is used to represent expenditure for the second week.

55 Donor records are selected by finding fully responding persons with matching information on various characteristics, such as state, sex, age, labour force status, income and expenditure, as the person with missing information. As far as possible, the imputed information is an appropriate proxy for the information that is missing. Depending on which values are to be imputed, donors are randomly chosen from the pool of individual records with complete information for the block of questions where the missing information occurs.

56 The final sample includes 3,353 households which had at least one imputed value in either income, assets and liabilities or expenditure reported in the household questionnaire. For 49.9% of these households, only a single value was missing, and most of these were for superannuation assets or a minor source of income for the household.

Final sample

57 The final sample on which estimates were based is composed of households for which all necessary information is available. The information may have been wholly provided at the interview (fully-responding) or may have been completed through imputation for partially responding households. Of the selected dwellings, there were 8,786 in the scope of the survey, of which 6,567 (75%) were included as part of the final HES estimates. For the additional pensioner sample, 4,804 dwellings identified as being in scope, of which 3,207 dwellings (67%) were included on the final file. The final combined HES sample consists of 9,774 households, comprising 17,955 persons aged 15 years and over.

	Capital city no.	Balance of State no.	Total no.
New South Wales	1 826	592	2 418
Victoria	1 540	314	1 854
Queensland	1 116	349	1 465
South Australia	1 062	213	1 275
Western Australia	1 038	205	1 243
Tasmania	629	128	757
Northern Territory	297	67	364
Australian Capital Territory	398	-	398
Australia	7 906	1 868	9 774

- nil or rounded to zero (including null cells)

Weighting

58 Weighting is the process of adjusting results from a sample survey to infer results for the total in scope population whether that be persons or households. To do this, a 'weight' is allocated to each sample unit e.g. a person or a household. The weight is a value which indicates how many population units are represented by the sample unit. The first step in calculating weights for each unit is to assign an initial weight, which is the inverse of the probability of being selected in the survey. For example, if the probability of a household being selected in the survey was 1 in 600, then the household would have an initial weight of 600 (that is, it represents 600 households).

59 An adjustment is then made to the initial weights to account for changes in the sample across the four quarters of survey enumeration; the sum of the weights after this initial adjustment of households in each quarter is equal.

60 The initial weights are then calibrated to align with independent estimates of the population of interest, referred to as 'benchmarks'. Weights calibrated against population benchmarks ensure that the survey estimates conform to the independently estimated distribution of the population rather than to the distribution within the sample itself.

61 In the 2009-10 HES, all persons in each household were assigned a weight. This differs from the 2003-04 HES where children aged 0-14 years were not given separate weights, but household counts of the number of children were benchmarked to population totals.

62 The HES survey was benchmarked to the in scope estimated resident population (ERP) and the estimated number of households in the population, and to a number of estimates produced from the SIH. The 2009-10 HES used population and household benchmarks based on the 2006 Census.

63 The population benchmarks used in the calibration of the final weights for the 2009-10 HES were:

- number of persons -
 - by state or territory by age by sex;
 - five year age groups up to 80+ years for all states and territories (excluding Tas. and the NT)
 - five year age groups up to 75+ years for Tas.
 - five year age groups up to 70+ years for the NT
 - by state or the ACT by labour force status ('Employed', 'Unemployed' and 'Not in the labour force');
 - by state by capital city/balance of state (excluding the NT and the ACT which use only state);
- number of households -
 - by household composition (number of adults (1,2 or 3+) and whether or not the household contains children; excluding the NT which uses only number of adults of 1+).

64 In addition to the population benchmarks presented above, the following SIH estimates were used as benchmarks at the state level in weighting the HES sample:

- total weekly household income from all sources
- current weekly household income from own unincorporated business
- current weekly household income from wages and salaries
- current weekly household income from government pensions and allowances
- household tenure type.

65 More detailed age groupings have been used where possible in benchmarking 2009-10 HES results.

66 The independent person and household benchmarks are based on demography estimates of numbers of persons and households in Australia. The benchmarks are adjusted to include persons and households residing in private dwellings only and to exclude persons living in very remote areas, and therefore do not, and are not

intended to, match estimates of the Australian resident population published in other ABS publications.

67 In weighting the pensioner sample, independent initial probability weights were assigned to the pensioner sample as it was selected separately from the SIH and HES sample. The initial probability weights were then adjusted by the results of the first phase screening results with respect to the observed proportion of identified screened pensioner households. This pensioner sample was only able to be collected in three of the four quarters of HES enumeration and the initial probability weights were adjusted accordingly.

68 The pensioner weighted estimates for person and households were calibrated to the main SIH sample estimates for persons, households and total weekly household income.

69 Composite estimation was used to obtain the optimal proportions for combining the pensioner sample and main SIH and HES samples for age pensioner households and other pension beneficiary households at a state by quarter of enumeration level. For more details see **Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia, 2009-10** (cat. no. 6503.0) to be released in September 2011.

70 After the main HES sample and the pensioner sample were combined through composite estimation the SIH estimates were included again as final benchmarks to increase the comparability between the surveys and to improve the reliability of income estimates produced from the HES. The following SIH estimates were used as benchmarks:

- number of persons -
 - by state or territory by age by sex;
 - five year age groups up to 80+ years for all states and territories (excluding Tas. and the NT)
 - five year age groups up to 75+ years for Tas.
 - five year age groups up to 70+ years for the NT
 - by state or the ACT by labour force status ('Employed', 'Unemployed' and 'Not in the labour force');
 - by state by capital city/balance of state (excluding the NT and the ACT which use only state);
- number of households -
 - by household composition (number of adults (1,2 or 3+) and whether or not the household contains children; excluding the NT which uses only number of adults of 1+).
 - total weekly household income from all sources by state
 - current weekly household income from own unincorporated business by state
 - current weekly household income from wages and salaries by state
 - current weekly household income from government pensions and allowances by state
 - household tenure type by state.

71 This means that estimates produced using the HES sample for the aggregates used as benchmarks will be the same as the estimates produced using the SIH sample.

72 Although the HES and the SIH are integrated, the estimates for common items published in both this publication and the SIH publication **Household Income and Income Distribution, Australia, 2009-10** (cat. no. 6523.0) are unlikely to have exactly the same values, unless calibrated to do so. All estimates in this publication are taken from the HES subsample (except in the feature article which includes some SIH estimates). They are therefore subject to greater sampling variability than the full SIH estimates, but have been included here because it is considered that they are more appropriate for comparisons with the expenditure data items, which are only available for the HES subsample.

Estimation

73 Estimates produced from the survey are usually in the form of averages (e.g. average weekly household expenditure on clothing and footwear), or counts (e.g. total number of households that own their dwelling). For counts of households, the estimate was obtained by summing the weights for the responding households in the required group (e.g. those households that own their dwelling).

74 Averages are obtained by adding the weighted household values, and then dividing by the estimated number of households. For example, average weekly expenditure on clothing and footwear by Victorian households is the weighted sum of the average weekly expenditure of each selected household in Victoria who reported such expenditure, divided by the estimated number of households in Victoria. Note that the denominator is the total number of households and not just the number of households which reported expenditure on a particular item.

RELIABILITY OF ESTIMATES

75 The estimates provided in this publication are subject to two types of error, non-sampling and sampling error.

Non-sampling error

76 Non-sampling error can occur in any collection, whether the estimates are derived from a sample or from a complete collection such as a census. Sources of non-sampling error include non-response, errors in reporting by respondents or recording of answers by interviewers, and errors in coding and processing the data.

77 Non-sampling errors are difficult to quantify in any collection. However, every effort is made to reduce non-sampling error to a minimum by careful design and testing of the questionnaire, training of interviewers and data entry staff, and extensive editing and quality control procedures at all stages of data processing.

78 One of the main sources of non-sampling error is non-response by persons selected in the survey. Non-response occurs when people cannot or will not cooperate or cannot be contacted. Non-response can affect the reliability of results and can introduce a bias. The magnitude of any bias depends upon the level of non-response and the extent of the difference between the characteristics of those people who responded to the survey and those who did not.

79 The following methods were adopted to reduce the level and impact of non-response:

- Primary Approach Letters (PALs) were posted to selected SIH and HES households prior to enumeration
- document cards were provided to respondents to suggest having financial statements and similar documents handy at the time of interview to assist with accurate responses
- face-to-face interviews with respondents
- the use of interviewers who could speak languages other than English, where necessary
- Proxy Interviews conducted when consent is given, with a responsible person answering on behalf of a respondent incapable of doing so themselves
- follow-up of respondents if there was initially no response
- imputation of missing values
- ensuring that the weighted data is representative of the population (in terms of demographic characteristics) by aligning the estimates with population benchmarks
- ensuring that the HES weighted data is consistent with the larger SIH sample by aligning the key HES income estimates with key SIH estimates.

Sampling error

80 The estimates are based on a sample of possible observations and are subject to sampling variability. The estimates may therefore differ from the figures that would have been produced if information had been collected for all households. A measure of the sampling error for a given estimate is provided by the standard error, which may be expressed as a percentage of the estimate (relative standard error). Further information on sampling error is given in Appendix 2.

ACKNOWLEDGEMENT

81 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the **Census and Statistics Act 1905**.

PUBLICATION AND DISSEMINATION OF DATA

82 Information about the range of data, including special data services and unit record files, to be made available from the 2009-10 HES is given in Appendix 1.

RELATED PUBLICATIONS

83 Users may also wish to refer to the following related ABS products:

- Household Income and Income Distribution, Australia, 2009-10**, (cat. no. 6523.0)
Household Wealth and Wealth Distribution, Australia, 2009-10, (cat. no. 6554.0), to be released in October 2011
Housing Occupancy and Costs, Australia, 2009-10 (cat. no. 4130.0), to be released in November 2011
Government Benefits, Taxes and Household Income, Australia, 2009-10, (cat. no. 6537.0), to be released mid 2012
Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia,

2009-10 (cat. no. 6503.0) to be released in September 2011
Microdata: Household Expenditure Survey and Survey of Income and Housing - Basic and Expanded CURF, Australia 2009-10 (cat. no. 6540.0) to be released in September 2011
Labour Force, Australia, (cat. no. 6202.0) - issued monthly
Average Weekly Earnings, Australia, (cat. no. 6302.0) - issued quarterly
Measuring Wellbeing: Frameworks for Australian Social Statistics, 2001, (cat. no. 4160.0)
Measures of Australia's Progress, 2010, (cat. no. 1370.0)

Glossary

GLOSSARY

Age pensions

Receives income from age pensions or Department of Veterans' Affairs (DVA) service pension.

Average weekly expenditure

Value obtained by dividing the estimated weekly expenditure of a group of households by the estimated number of households in the group.

Balance of State

That part of each Australian state or territory not defined as capital city. Balance of state estimates for Northern Territory are regarded as too unreliable to publish separately since they exclude collection districts defined as very remote which account for about 23% of the NT population. All of the Australian Capital Territory is defined as capital city for this publication.

Broad expenditure group

The broadest level of the Household Expenditure Classification used in the 2009-10 publication. A list of the detailed expenditure items making up each broad expenditure group will be included in the 2009-10 User Guide.

Capital city

Refers to Australia's six state capital city Statistical Divisions and the Darwin Statistical Division as defined in the **Australian Standard Geographical Classification (ASGC)** (cat. no. 1216.0). For the Australian Capital Territory the estimates relate predominantly to urban areas, and all of the Australian Capital Territory is defined as capital city for this publication.

Classification of Individual Consumption According to Purpose (COICOP)

The international standard classification framework for classifying consumption expenditures on goods and services

Collection district

The Census Collection District (CD) is the smallest geographic area defined in the **Australian Standard Geographical Classification (ASGC)** (cat. no. 1216.0).

Consumer Price Index (CPI)

A general measure of price inflation for the household sector in Australia. Specifically, it provides a measure of changes, over time, in the cost of a constant basket of goods and services acquired by the capital city households in Australia.

Couple

See One family households.

Couple family with dependent children

See One family households.

Credit card debt

The amount owing on the respondent's latest credit card account statement (including any government, interest of financial institution charges), irrespective of whether it was paid off by the due date. Includes amounts owing on specialised retail shopping cards as well as general credit cards such as Visa, Mastercard and store credit cards but excludes Visa and Mastercard debit cards.

Deciles

Groupings that result from ranking all households or persons in the population in ascending order according to some characteristic such as their household income and then dividing the population into 10 equal groups, each comprising 10% of the estimated population.

Dependent children

All persons aged under 15 years; and persons aged 15-24 years who are full-time students, have a parent in the household and do not have a partner or child of their own in the household.

Diary

A notebook in which each person aged 15 years and over who was usually resident in the selected dwelling recorded his or her daily expenditure over two weeks.

Disability and carer payments

Receives income from Carer allowance, Carer payment, Disability Pension Department of Veterans' Affairs (DVA) or Disability Support Pension.

Disposable income

Gross income less income tax, the Medicare levy and the Medicare levy surcharge i.e. remaining income after taxes are deducted, which is available to support consumption and/or saving. Income tax, Medicare levy and the Medicare levy surcharge are imputed based on each person's income and other characteristics as reported in the survey. Disposable income is sometimes referred to as net income.

Employed

Persons aged 15 years and over who, during the week before the interview:

- worked one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (includes employees, employers and own account workers)
- worked one hour or more, without pay, in a family business or on a family farm or
- had a job, business or farm but was not at work because of holidays, sickness or other reason.

Employee

An employed person who, for most of his/her working hours:

- works for a public or private employer and receives remuneration in wages or salary, or is paid a retainer fee by his/her employer and works on a commission basis, or works for an employer for tips, piece-rates or payment in kind or
- operates their own incorporated business with or without employees.

Employer

A person who operates his or her own unincorporated business or engages independently in a profession or trade, and hires one or more employees.

Equivalised disposable household income

Disposable household income adjusted using an equivalence scale. For a lone person household it is equal to disposable household income. For a household comprising more than one person, it is an indicator of the disposable household income that would need to be received by a lone person household to enjoy the same level of economic wellbeing as the household in question.

Expenditure

The cost of goods and services acquired during the reference period for private use, whether or not the goods were

paid for or consumed. Expenditure is net of refunds. For example, payments for health services are net of any refunds received or expected to be received. Expenditure is classified according to the Household Expenditure Classification which contains over 600 detailed items.

Family

Two or more people, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who usually live in the same household. A separate family is formed for each married couple, or for each set of parent-child relationships where only one parent is present.

Family composition of household

Classifies households into three broad groupings based on the number of families present (one family, multiple family and non-family). One family households are further disaggregated according to the type of family (such as couple family or one parent family) and according to whether or not dependent children are present. Non-family households are disaggregated into lone person households and group households.

Family support payments

Receives income from Baby Bonus, Family Tax Benefits or Parenting Payments.

Financial stress

A range of items which provide a subjective measure of the household's economic well-being. One person in each household was asked to provide assessments of the current household's circumstances. This person was randomly chosen from the reference person and spouse. Items include management of household income, present standard of living compared with two years ago, ability to raise emergency money, and a range of cash flow problems. For further information see section 1.13 'Deprivation and financial stress indicators' in the 2009-10 User Guide.

Full-time student

A person 15 years or over who is classified as a full-time student by the institution they attend, or considers himself/herself to be a full-time student. Full-time study does not preclude employment.

Government pensions and allowances

Income support payments from government to persons under social security and related government programs. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students. All overseas pensions and benefits are included here, although some may not be paid by overseas governments. Family Tax Benefit, Baby Bonus and Child Disability Assistance Payment paid to recipients of Carer Allowance are also included in government pensions and allowances.

Gross imputed rent

The estimated market rent that a dwelling would attract if it were to be commercially rented.

Gross income

Income from all sources, whether monetary or in kind, before income tax, the Medicare levy and the Medicare levy surcharge are deducted.

Group household

See Non-family household.

Household

A person living alone or a group of related or unrelated people who usually live in the same private dwelling.

Household Expenditure Classification (HEC)

The expenditure classification used in the **Household Expenditure Survey**. In the 2009-10 survey it consists of over 600 items at the most detailed level. At the broadest level it consists of 17 broad expenditure groups. All broad groups except other capital housing costs are presented in this publication. A copy of the classification will be included in the 2009-10 User Guide.

Income

Income consists of all current receipts, whether monetary or in kind, that are received by the household or by individual members of the household, and which are available for, or intended to support, current consumption.

Income includes receipts from:

- wages and salaries and other receipts from employment (whether from an employer or own incorporated enterprise), including income provided as part of salary sacrificed and/or salary package arrangements
- profit/loss from own unincorporated business (including partnerships)
- net investment income (interest, rent, dividends, royalties)
- government pensions and allowances
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

Gross income is the sum of the income from all these sources before income tax, the Medicare levy and the Medicare levy surcharge are deducted. Other measures of income are Disposable income and Equivalised disposable household income.

Note that child support and other transfers from other households are not deducted from the incomes of the households making the transfers.

Labour force status

Classifies all persons aged 15 years and over according to whether they were employed, unemployed or not in the labour force.

Landlord type

For renters, the type of entity to whom rent is paid or with whom the tenure contract or arrangement is made. Renters are classified to one of the following categories:

- state/territory housing authority - where the household pays rent to a state or territory housing authority or trust
- private landlords - where the household pays rent to a real estate agent or to another person not in the same household
- person in the same household - where the unit pays rent to a person who resides in the same household
- other - where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.

Lone person household

See Non-family household.

Main source of income

That source from which the most positive income is received. If total income is nil or negative the main source is undefined. As there are several possible sources, the main source may account for less than 50% of gross income.

Mean income

The total income received by a group of units divided by the number of units in the group.

Median income

That level of income which divides the units in a group into two equal parts, one half having incomes above the median and the other half having incomes below the median.

Medicare levy

Medicare is Australia's universal health care system. The Medicare levy is a specific tax, based on individual income, intended to assist in the funding of this system.

Medicare levy surcharge

The Medicare levy surcharge is a levy or an additional tax, on Australian taxpayers who do not have an appropriate level of private hospital insurance and who are earning more than the specified income threshold.

Multiple family household

A household containing two or more families. Unrelated individuals may also be present.

Negative expenditure

Expenditure may be negative if a household's receipts for a good or service (e.g. refunds, trade-ins, sales or successful insurance claims), over a specific period, exceeds the cost of acquisitions. For example, if a household sold a car in the previous 12 months and did not buy a replacement car or they bought a less expensive car, this household would report negative expenditure on cars.

Negative income

Income may be negative when a loss accrues to a household as an owner or partner in unincorporated businesses, rental properties or other investment income. Losses occur when operating expenses and depreciation are greater than gross receipts.

Negative net worth

Net worth may be negative when household liabilities exceed household assets.

Net imputed rent

Gross imputed rent less housing costs. Net imputed rent is an estimate of the value for the flow of household consumption services conferred by home ownership or by households paying subsidised rent or occupying their dwelling rent free. Housing costs for the purpose of calculating net imputed rent for owner- comprise:

- rates payments (general and water)
- body corporate fees
- the interest component of repayments of loans that were obtained for the purposes of purchasing or building
- rent payments
- house insurance costs
- repair and maintenance costs.

Net worth

Net worth is the value of a household's assets less the value of its liabilities. Net worth may be negative when household liabilities exceed household assets.

Non-dependent children

Persons aged 15 years and over who:

- do not have a spouse or offspring of their own in the household
- have a parent in the household
- are not full-time students aged 15-24 years.

Non-family household

A household that consists of unrelated persons only. Non-family households are classified to one of the following categories:

- group household - a household consisting of two or more unrelated persons where all persons are aged 15 years and over. There are no reported couple relationships, parent-child relationships or other blood relationships in these households
- lone person household - a household consisting of a person living alone.

Not in the labour force

Persons not in the categories employed or unemployed as defined.

One family households

One family households are classified to one of the following categories:

- couple only - two persons in a registered or de facto marriage, who usually live in the same household
- couple family with dependent children - a household consisting of a couple with at least one dependent child. The household may also include non-dependent children, other relatives and unrelated individuals
- one parent family with dependent children - a household comprising a lone parent with at least one dependent child. The household may also include non-dependent children, other relatives and unrelated individuals
- other one family households - a household comprising:
 - one couple with their non-dependent children only
 - one couple, with or without non-dependent children, plus other relatives
 - one couple, with or without non-dependent children or other relatives, plus unrelated individuals
 - a lone parent with his/her non-dependent children, with or without other relatives and unrelated individuals
 - two or more related individuals where the relationship is not a couple relationship or a parent-child relationship (e.g. two brothers).

One parent family with dependent children

See One family households.

Other income

Income other than wages and salaries, own unincorporated business income and government pensions and allowances. This includes income received as a result of ownership of financial assets (interest, dividends), and of non-financial assets (rent, royalties) and other current receipts from sources such as superannuation, child support, workers' compensation and scholarships. Income from rent is net of operating expenses and depreciation and may be negative when these are greater than gross receipts.

Other landlord type

Where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.

Other one family households

See One family households.

Other payments

Receives income from other government pensions and allowances. These include overseas pensions and benefits, partner allowance, sickness allowance, special benefit, war widow pension (DVA), widow allowance, wife pensions, seniors supplement and other government pensions and allowances.

Other tenure type

A household which is not an owner (with or without a mortgage), or a renter. Includes rent free.

Own account worker

A person who operates his or her own unincorporated business or engages independently in a profession or trade and hires no employees.

Own unincorporated business income

The profit/loss that accrues to persons as owners of, or partners in, unincorporated businesses. Profit/loss consists of the value of gross output of the business after the deduction of operating expenses (including depreciation). Losses occur when operating expenses are greater than gross receipts and are treated as negative income.

Owner (of dwelling)

A household in which at least one member owns the dwelling in which the household members usually reside. Owners are divided into two categories - owners without a mortgage and owners with a mortgage. If there is any outstanding mortgage or loan secured against the dwelling the household is an owner with a mortgage. If there is no mortgage or loan secured against the dwelling the household is an owner without a mortgage.

Preschool

Educational and developmental programs for children in the year (or in some jurisdictions, two years) before they begin full-time primary education.

Private income

Current receipts from private organisations, including wages and salaries, income from own business, superannuation, workers' compensation, income from annuities, interest, dividends, royalties, income from rental properties, scholarships and child support.

Quintiles

Groupings that result from ranking all households or persons in the population in ascending order according to some characteristic such as their household income and then dividing the population into five equal groups, each comprising 20% of the estimated population.

Reference person

The reference person for each household is chosen by applying, to all household members aged 15 years and over, the selection criteria below, in the order listed, until a single appropriate reference person is identified:

- the person with the highest tenure when ranked as follows: owner without a mortgage, owner with a mortgage, renter, other tenure
- one of the partners in a registered or de facto marriage, with dependent children
- one of the partners in a registered or de facto marriage, without dependent children
- a lone parent with dependent children
- the person with the highest income
- the eldest person.

Relative standard error (RSE)

The standard error expressed as a percentage of the estimate for which it was calculated. It is a measure which is independent of both the size of the sample, and the unit of measurement and as a result, can be used to compare the reliability of different estimates. The smaller an estimate's RSE, the more likely it is that the estimate is a good proxy for that which would have been obtained if the whole population had been surveyed. For further information see Appendix 2.

Renter

A household which pays rent to reside in the dwelling. See further classification by Landlord type.

Salary packaging

An arrangement for the employer to remunerate the employee with a combination of cash wages and salaries and one or more non-cash benefits, to the value of the employee's total remuneration.

Salary sacrifice

An arrangement under which an employee agrees contractually to forgo part of the remuneration, which the employee would otherwise receive as wages and salaries, in return for the employer or someone associated with the employer providing benefits of a similar value.

Selected dwelling

The private dwelling selected in the sample for the survey.

Significant person

Significant persons are defined as follows:

- all members of lone person or couple only households
- all parents in a couple with children household or a single parent household
- the person aged 15 years or over in a group household where one person is aged 15 years or over and the other members of the household are less than 15 years old
- 50% of the persons aged 15 years and over in all other households.

Standard error

A measure of the likely difference between estimates obtained in a sample survey and estimates which would have been obtained if the whole population had been surveyed. The magnitude of the standard error associated with any

survey is a function of sample design, sample size and population variability. For further information see Appendix 2.

Statistical Division (SD)

The largest spatial units within each state/territory in the main structure of the **Australian Standard Geographical Classification (ASGC)** (cat. no. 1216.0).

Tenure type

The nature of a household's legal right to occupy the dwelling in which the household members usually reside. Tenure is determined according to whether the household owns the dwelling outright, owns the dwelling but has a mortgage or loan secured against it, is paying rent to live in the dwelling or has some other arrangement to occupy the dwelling.

Unemployed

Persons aged 15 years and over who were not employed during the week before the interview and had actively looked for full-time or part-time work at any time in the four weeks before the interview and:

- were available for work in the week before the interview, or
- were waiting to start a new job within four weeks from the interview and would have started in the week before the interview if the job had been available then.

Unemployment and study payments

Receives income from Austudy/ABSTUDY, Newstart allowance or Youth allowance.

Unincorporated business

A business in which the owner(s) and the business are the same legal entity, so that, for example, the owner(s) are personally liable for any business debts that are incurred.

Wages and salaries

An employee's total remuneration, whether monetary or in kind, received as a return to labour from an employer or from a person's own incorporated business. It comprises wages and salaries, bonuses, amounts salary sacrificed, non-cash benefits such as the use of motor vehicles and subsidised housing, and termination payments.

Wealth

See Net worth.

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